

July 17, 2013

Office of the Governor
ATTN: Financial Services
1100 San Jacinto
Austin, Texas 78701

To Whom It May Concern:

Space Exploration Technologies Corp. (SpaceX) respectfully submits an application for the Texas Enterprise Fund. The enclosed binder contains:

- Completed application, including the Certification of Application signed by Company (pg. 3);
- Articles of Incorporation
- Verification of "Active" status with the Texas Comptroller of Public Accounts for SpaceX;
- Permit Fee Estimates (pg. 8)
- TEF Amount and Other State Assistance Request (pg. 9)
- County Depreciation Schedule
- Average Weekly Wage
- Economic Impact Analysis
- All audited financial statements currently available:
 - Financial statements for 2012 are currently being audited and can be provided within 60 days. In the meantime, can provide unaudited 2012 financial statements if necessary and upon request.
 - Due to the complexity of our accounting and overall maturity of the company, in 2011 SpaceX moved from a small regional CPA firm to a "Big Four" public accounting firm, PricewaterhouseCoopers (PwC). This change in auditors resulted in restatement of prior year financials; therefore, we do not have any audited financials prior to 2011. We do have, however, an ending balance sheet for FY 2010 that is included in the attached PwC financial statements.
 - Our Chief Financial Officer is available to discuss the circumstances above and our financial statements if you have any questions.
- The application fee is enclosed in the envelope located in the front pocket of this binder.

Please note that the Certification of Application signed by the Community will be provided under separate cover by the Brownsville Economic Development Council as a replacement to pg. 2 of the application.

Thank you for your consideration of this application. Please contact me or our consultant, Sarah Roberts, if you have any questions or concerns.

Sincerely,



Lauren Dreyer
Director, Business Affairs and Compliance



INSTRUCTIONS

Submit a completed application to the Office of the Governor. If application is submitted through regular mail, mail the application to Office of the Governor, Attention Financial Services, Post Office Box 12878, Austin, Texas 78711-2878. If through overnight delivery, send to Office of the Governor, Attention Financial Services, 1100 San Jacinto, Austin, Texas 78701. Include all requested information for all sections since any performance documents or State Agreements developed will use details represented in this application. Be accurate and thorough to avoid delays in processing. Where no response is possible, it should be marked N/A. Attachments and additional pages are not required unless specifically requested in the application. Any necessary supplemental information will be requested as a follow-up document. Original signatures must accompany the completed application. Always use the most current application found at <http://governor.state.tx.us/files/ecodev/tefapp.doc>.

CERTIFICATION OF APPLICATION – COMMUNITY

Authorized Community Representative

RECEIVED

First Name Jason Last Name Hilts

JUL 18 2013

Title President & Chief Executive Officer

FINANCIAL SERVICES

Organization Brownsville Economic Development Council

Street Address 301 Mexico Boulevard, Suite F-1 (ITEC Campus)

Mailing Address 301 Mexico Boulevard, Suite F-1 (ITEC Campus)

City Brownsville State TX Zip 78521

Phone Number (9546) 541-1183 Fax Number (956) 546-3938

Mobile Number (956) 346-2085 Website www.BEDC.com

Email Address jhilts@bedc.com / gsalinas@bedc.com

To the best of my knowledge and belief, the information contained in this Texas Enterprise Fund Application is true and correct, as evidenced by my signature below.

Signature _____ Date _____
(Community Representative)

*Signed form to be provided
directly by Brownsville
Economic Development
Council.*

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CERTIFICATION OF APPLICATION – BUSINESS

Authorized Business Representative (This is the Applicant)

First Name Lauren Last Name Dreyer

Title Director, Business Affairs and Compliance

Organization Space Exploration Technologies Corp. (SpaceX)

Street Address 1 Rocket Rd

Mailing Address USPS: 1 Rocket Rd ; FedEx/UPS: 8550 Case Rd

City McGregor State TX Zip 76524 - 6844

Phone Number (254) 840-5792 Fax Number (310) 363-6001

Mobile Number [REDACTED] Website www.spacex.com

Email Address Lauren@spacex.com

The following consultant is authorized to provide and obtain information related to this application. However, the State of Texas reserves the right to contact the applicant business directly at any time.

Consultant Name Sarah Roberts Phone Number 254-723-3269

Consultant Email roberts.sarah@outlook.com

To the best of my knowledge and belief, the information contained in this Texas Enterprise Fund Application is true and correct, as evidenced by my signature below. I further certify that the business entity is in good standing under the laws of the state in which the entity was organized and that no delinquent taxes are owed to any taxing entity within the State of Texas.

Signature *Lauren Dreyer* Date 7/17/2013
(Primary Business Representative)

GIVEN under my hand and seal of office this 17 day of July, 2013

(Notary Seal)



Jonathan Hofeller
Notary Public, State of California

My commission expires 12/31/13

APPLICATION FEE

☒ Enclosed non-refundable application fee in the amount of \$1,000 payable to Office of the Governor

BUSINESS APPLICANT INFORMATION

1A. Exact legal name of the entity applying to the Texas Enterprise Fund

Space Exploration Technologies Corp.

1B. In addition to the Applicant, list all corporate subsidiaries under which jobs will be reported for this project.

n/a

Federal Tax ID number 01-0627671 Comptroller of Public Accounts number 1-01-0627671-9

Corporate credit rating and source D&B:1R3 Service / product produced SpaceX is a launch services provider that designs, manufactures, tests and launches its own launch vehicles and spacecraft

Will the Business be required to pay state sales and use tax on equipment? ☒ Yes ☐ No ☐ Undetermined

NAICS Code 336414

Exact location of proposed Texas site (address or intersection) Boca Chica Beach, State Highway 4, Cameron County

APPLICANT BUSINESS STRUCTURE

Is the Applicant registered to do business in Texas with the Texas Secretary of State? ☒ Yes ☐ No

If "Yes," identify the exact name used by company to register in Texas Space Exploration Technologies Corp.

Structure of Applicant (private, public, LLP, LLC, etc.) private corporation

Evidence of good standing under the laws of the state in which the business was formed or organized is required. Please attach a certificate issued by the secretary of state or the state official having custody of the records pertaining to entities formed under the laws of that state.

Articles of Incorporation attached ☒ Yes ☐ No

State of Incorporation: Delaware

Number of years Applicant company (listed on line 1A above) in business 11

Number of employees worldwide at Applicant company (listed on line 1A above) 3037

List any person or entity that has at least 5% ownership in the Applicant company (listed on line 1A above):

| Name | Percent |
|--------------------------------|----------------|
| <u>Elon Musk</u> | <u>8%</u> |
| <u>Founders Fund</u> | <u>8%</u> |
| <u>Draper Fisher Jurvetson</u> | <u>6%</u> |
| <u></u> | <u></u> |

Please provide the family tree by listing the Applicant's immediate and ultimate parent companies (if applicable), as well as all principal subsidiaries of the applicant with operations in Texas. Use outline structure below as an example.

➤ Subsidiary A: Dogleg Park, LLC

☒ Yes ☐ No

☐ Yes ☒ No

Dogleg Park, LLC activities are limited to owning and leasing property; it has not engaged in other business contacts that would require qualification in the State of Texas.

EXISTING JOBS AT ALL TEXAS LOCATIONS

Please identify all existing locations in Texas, including those of parent, subsidiary, and affiliated companies, as well as the TEF Application project site (if this location has existing jobs). Note that a potential Texas Enterprise Fund agreement may include this baseline employment information.

| <u>Company Unit</u> | <u>City in Texas</u> | <u>Number of Jobs</u> |
|-----------------------------|-----------------------------|------------------------------|
| Rocket Development Facility | McGregor | 194 |
| | | |
| | | |

☐ Yes ☒ No☐ Yes ☐ No

BRIEF PROJECT SUMMARY

Provide a brief overview of the project including the physical location of the site and the scope of planned operations (do not attach additional documentation).

SpaceX proposes to develop and operate a south Texas spaceport, including a command/control center and the world's first commercial orbital launch site, to meet its growing manifest and increasing demand from customers. SpaceX designs, manufactures, and launches the world's most advanced rockets and spacecraft and has need for an additional launch site. After evaluation of 14 candidate sites in south Texas, SpaceX identified one highly probable Texas location at Boca Chica beach in southeastern Cameron County that remains in competition with multiple sites under consideration in the United States and Puerto Rico.

As the launch licensing authority, the Federal Aviation Administration (FAA) is conducting an Environmental Impact Statement (EIS) to evaluate the potential environmental impacts that may result from the proposal to issue launch licenses and/or experimental permits to SpaceX for the proposed Texas site. The EIS process is expected to conclude with publication of the FAA's Record of Decision in Fall 2013. Based on tremendous public support of the project, as demonstrated through over 1000 combined attendees at two public hearings, SpaceX is optimistic that the environmental approval will be granted and enable SpaceX to make a site selection decision regarding the proposed Texas location prior to the end of 2013.

The site is physically located approximately 17 miles from downtown Brownsville and 5 miles from South Padre Island on privately-owned property. It is designed to accommodate commercial launches of the SpaceX Falcon 9 and Falcon Heavy vehicles. Operating in conjunction with SpaceX's existing launch sites (at Cape Canaveral Air Force Station and Vandenberg Air Force Base), this additional launch site will provide SpaceX the ability to expand its existing, robust manifest of nearly 50 launches for commercial, government and international customers. The proposed command/control center will be physically located approximately 2 miles from the launch site.

A TEF award, if secured, has potential to generate hundreds of jobs and enable nearly \$63 million in first-phase investment by 2017. The direct investment is planned be \$85 million over 10 years. Once fully operational, SpaceX's commercial launch site is projected to generate an economic impact of more than \$51 million annually.

Known for executing at an unprecedented pace in the industry, SpaceX plans to conduct the first launch by December 2015 and reach the maximum launch rate (12 launches per year) by January 2018. At that rate, the site could rival the total rate of unmanned launches at Cape Canaveral, Florida (10 in 2011). Each unmanned launch could conservatively attract 15,000 to 25,000 visitors and sales tax revenue to Texas. According to the Economic Development Commission of Florida's Space Coast and Brevard County Tourist Development Council unmanned launches alone attract an estimated 40,000 tourists and business travelers to Brevard County that generate an economic impact of approximately \$1 million per unmanned launch (note: reported net economic impact per manned launch exceeds \$4-\$5 million).

In addition to launch-related tourism impact, SpaceX projects more than 350 annual visitors (approximately 30 per month) will temporarily reside in the area and work at/near the SpaceX site as customer representatives during the approximately 30-day mission integration process that precedes each launch. This will generate additional sales tax activity in the local and state economy. Taxable purchases for the launch site are projected to be \$8.5 million annually.

SpaceX operates a Rocket Development facility in McGregor, TX, which has created hundreds of high-paying, high-tech jobs in the region in just over 10 years of operations. Every engine and structure that flies on a SpaceX launch vehicle comes through the McGregor facility for testing and processing. Primarily as a result of this site, SpaceX has developed a robust supplier base of more than 190 Texas companies benefiting from nearly \$30 million in purchases in 2012. These purchases were generated at SpaceX's current launch pace of 3-4 launches annually, a number that, as noted, is forecast to rise exponentially. Having both a development and launch facility in Texas will create additional opportunities for new and existing Texas suppliers and increase statewide taxable purchases.

As a unique scope of the project, the University of Texas at Brownsville (UTB) proposes the creation of the transformational South Texas Spacecraft Tracking and Astrophysical Research into Gigahertz Astronomical Transient Emission (STARGATE) research center at the spaceport. SpaceX will provide to STARGATE, via a matching grant, unprecedented and exclusive research access to its command/control center and equipment and a launch complex to advance emerging technology in spacecraft tracking and communication. STARGATE's UTB-owned building and equipment is proposed to be located on a two-acre site contiguous to the SpaceX command/control center, separated by a fence, but with a pathway and gate between the UTB-owned assets and SpaceX-owned assets that will facilitate easy access and collaboration between SpaceX, students, researchers and commercialization incubator tenants.

PROJECT CHARACTERISTICS (check all that apply)

☒ Construct New Facility

☐ Lease Facility

☐ Expand Existing Facility

☐ Renovate Existing Facility

☐ New Business/Start-up

☒ Expansion from Out of State

☒ Relocation from Out of State

☒ Expansion within Texas

☐ Relocation within Texas

☐ Consolidation

Square footage of manufacturing building (if applicable)

n/a

Investment for pollution control equipment (if applicable)

\$200,000

Investment for clean rooms (if applicable)

n/a

Inventory at project location (if applicable)

n/a

PROJECTED CAPITAL INVESTMENT Total must match Investment Schedule pg. 8

| | | | |
|-----------------------|-------------------|--|-----------------------------|
| Land | <u>9,100,000</u> | Working Capital | <u> </u> |
| Building(s) | <u>37,790,900</u> | Do not include working capital in calculation to the left. | |
| Machinery & Equipment | <u>38,207,350</u> | | |
| Total | <u>85,098,250</u> | | |

COMMITTED SOURCES OF FUNDING

| | | |
|--------------------------|---------------------|------------------------|
| Business Participation | <u>\$55,498,250</u> | |
| Financial Institution(s) | <u>0</u> | |
| Local Participation | <u>\$5,000,000</u> | (excluding abatements) |
| Federal Participation | <u>0</u> | |
| Other TEF/TSTF/TCF/TETF* | <u>\$24,600,000</u> | |
| Total | <u>\$85,098,250</u> | |

Provide a brief summary of committed funding in the space below (do not attach additional pages).

This first-of-its kind project will be funded through SpaceX investment combined with local and state incentives.

Secured local participation is detailed in the community tax rate and local incentive section of the application.

*The "Other" category contains funding that has been applied for through other state programs. Due to SpaceX's anticipated decision timing of Fall 2013, applications have been submitted for review in parallel with the TEF application. While these applications are under review and not yet committed funds, they are included in the above due to their critical nature to the project.

The prospective funding sources are the Texas Spaceport Trust Fund (TSTF) for development of launch site infrastructure, improvements and facilities (\$15,000,000), the Texas Capital Fund (TCF) infrastructure grant program for electric, telecommunications and infrastructure to the launch site (\$1,000,000), and through a proposed partnership with the SpaceX command/control center, the University of Texas at Brownsville (UTB) has proposed to create a transformational research center at the spaceport and has applied for a Subchapter E matching grant and other funding sources to provide \$5.6 million in critical fiber and 3-phase electric connection to the research center and command/control center.

Not included in the above committed sources of funding are 1) additional local participation of \$1,000,000 which is being pursued, but is not yet committed, from other economic development entities in the region; 2) the Enterprise Zone program, for which an application will be submitted later this year; and 3) County tax abatement or equivalent Chapter 381 grant described below.

PROJECTED DATES & MILESTONES

| | | | |
|-------------------------------------|---|----------------------------|----------------|
| Begin Construction | <u>01/2014</u> | Begin Hiring New Employees | <u>01/2014</u> |
| Construction Complete | <u>12/2016</u> | Fully Operational | <u>01/2018</u> |
| Purchase Machinery & Equipment | <u>03/2014</u> | | |
| Is construction on leased property? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| If yes, is it a capitalized lease? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |

PERMITS

☒ Pending

☐ Current

☐ No Permits Required

Estimated state and local fee related revenue generated by this project \$30,000

List any local, state, or federal permits that will be, or have been acquired, including the corresponding fees paid, issuing agency and the expected date of receipt, if applicable.

Federal Aviation Administration launch licenses/experimental permits: SpaceX, with the Federal Aviation Administration (FAA) Office of Commercial Space Transportation (AST) as the lead agency, has initiated the Environmental Impact Statement (EIS) process as the first step in obtaining launch licenses for the Falcon 9 and Falcon Heavy vehicles. If these licenses are granted (which is likely given SpaceX's history of past successful applications for commercial licenses for launches and re-entry as well as experimental permits), the FAA will permit SpaceX to launch the Falcon 9 and Falcon Heavy orbital launch vehicles and a variety of smaller reusable suborbital launch vehicles from the commercial launch site in Cameron County, Texas. The expected date for a Record of Decision from the FAA on the EIS is Fall 2013. The expected date of the first launch license is mid-2015 (approximately 6 months prior to the first launch and each launch thereafter).

US Army Corps of Engineers Section 404 Permit: Application proceeding in parallel with the FAA's EIS. Permit expected Fall 2013 concurrent with EIS Record of Decision.

Texas Commission on Environmental Quality: All necessary permits from TCEQ will be pursued for the site. At this time, the only permit anticipated to be required for operations is a storm water permit. Receipt of this permit is anticipated prior to construction commencement.

Cameron County permits: Applications for building/platting/septic permits will be submitted to Cameron County as necessary and such permits are expected as needed throughout the construction and site activation activities planned for 2014-2015. In anticipation of this, SpaceX is negotiating a development agreement with Cameron County in which the County is expected to commit to expedited and prioritized permitting/plan checks.

JOB CREATION & INVESTMENT SCHEDULE (Must match Projected Capital Investment on pg.7)

| Year | Existing Jobs on Site | New Jobs | Total Jobs | Land | Building(s) | Machinery & Equipment | Total Investment |
|---------------|--------------------------|-------------|---------------|--------------------|---------------------|--------------------------|---------------------|
| 2014 | 0 | 20 | 20 | \$6,500,000 | \$11,282,900 | \$8,116,450 | \$25,899,350 |
| 2015 | 20 | 40 | 60 | 2,000,000 | 8,558,000 | 13,740,900 | 24,298,900 |
| 2016 | 60 | 60 | 120 | 400,000 | 4,000,000 | 4,700,000 | 9,100,000 |
| 2017 | 120 | 60 | 180 | 200,000 | 1,450,000 | 1,850,000 | 3,500,000 |
| 2018 | 180 | 50 | 230 | 0 | 2,700,000 | 2,100,000 | 4,800,000 |
| 2019 | 230 | 30 | 260 | 0 | 600,000 | 1,600,000 | 2,200,000 |
| 2020 | 260 | 10 | 270 | 0 | 5,450,000 | 2,500,000 | 7,950,000 |
| 2021 | 270 | 10 | 280 | 0 | 1,900,000 | 2,550,000 | 4,450,000 |
| 2022 | 280 | 10 | 290 | 0 | 1,100,000 | 200,000 | 1,300,000 |
| 2023 | 290 | 10 | 300 | 0 | 750,000 | 850,000 | 1,600,000 |
| TOTALS | 300 | | | \$9,100,000 | \$37,790,900 | \$38,207,350 | \$85,098,250 |

Note: A breakdown of the types of new full-time jobs to be created by classification, title, and the salary may be requested.

Number of new full-time jobs to be included in State Agreement 300

Estimated annual *median* wage of new jobs to be created \$43,274

Note: The median wage is determined by listing all salaries in ascending order and selecting the value with equal number of salaries above and below its value, or with an average of the two middle values if there is no middle number.

PRIMARY COMPETITION FOR PROJECT (Out of State)

| <u>City</u> | <u>State or Country</u> | <u>Incentive</u> |
|------------------------------------|-------------------------|---------------------------------|
| <u>Shiloh/Kennedy Space Center</u> | <u>Florida</u> | <u>up to \$20,000,000/year</u> |
| <u>Camden County</u> | <u>Georgia</u> | <u>confidential negotiation</u> |
| <u>Roosevelt Roads</u> | <u>Puerto Rico</u> | <u>confidential negotiation</u> |

INDUSTRY CLUSTER

If applicable, identify the targeted industry cluster within which this project falls.

- ☐ Advanced Technologies and Manufacturing, including four sub-clusters: Nanotechnology and Materials; Micro-electromechanical Systems; Semiconductor Manufacturing; Automotive Manufacturing
- ☒ Aerospace, Aviation and Defense
- ☐ Biotechnology and Life Sciences, not including medical services
- ☐ Information and Computer Technology, including three sub-clusters: Communications Equipment; Computing Equipment and Semiconductors; Information Technology
- ☐ Petroleum Refining and Chemical Products
- ☐ Energy, including three sub-clusters: Oil and Gas Production; Power Generation and Transmission; Manufactured Energy Systems
- ☐ None apply

TEF REQUEST & OTHER STATE ASSISTANCE

Identify state programs that the project will apply for:

| <u>State Source</u> | <u>Amount</u> |
|--|-----------------------------|
| <u>Texas Emerging Technology Fund (University of Texas - Brownsville STARGATE)</u> | <u>\$ 5,600,000</u> |
| <u>Texas Space Port Trust Fund (Cameron County Spaceport Development, Corp.)</u> | <u>\$ 15,000,000</u> |
| <u>Texas Capital Fund (Cameron County)</u> | <u>\$ 1,000,000</u> |
| <u>Texas Enterprise Zone</u> | <u>\$ 875,000</u> |
| <u>Texas Enterprise Fund request</u> | <u>\$ 3,000,000</u> |
| Total | <u>\$ 25,475,000</u> |

COMMUNITY TAX RATES & LOCAL INCENTIVE INFORMATION

(Represent tax rates to the 4th decimal per \$100 evaluation)

| | <u>Entity</u> | <u>Tax Rate</u> |
|---|---|-----------------|
| Tax Rate County | <u>Cameron County</u> | <u>0.384291</u> |
| Tax Rate School District | <u>Point Isabel Independent School District</u> | <u>1.081640</u> |
| Other Taxing Entities | <u>Brownsville Navigation District</u> | <u>0.045200</u> |
| Other Taxing Entities | <u>Emergency Service District No. 1</u> | <u>0.100000</u> |
| Other Taxing Entities | <u>South Texas Independent School District</u> | <u>0.049200</u> |
| Other Taxing Entities | <u>Texas Southmost College District</u> | <u>0.162935</u> |
| Total Combined Local Tax Rate (Include all applicable taxing entities) | | <u>1.823266</u> |

County depreciation schedule for personal property (attachment included) ☒ Yes ☐ No

Will local abatements be offered? ☒ Yes ☐ No

| Abatement Agreement Details | | | | |
|-----------------------------|-----------------|------------------------------|----------------------|--------------------------------|
| | Real Property % | Business Personal Property % | Term Length in Years | Maximum Amount (if Applicable) |
| City | N/A | N/A | N/A | N/A |
| County | 100 | 100 | 10 | Yes |
| Other Taxing Entity | TBD | TBD | TBD | TBD |

Please use the following text box for additional details regarding the local abatements listed in the table above. Also describe any additional local incentives relating to the project.

Public tax entities which could potentially approve abatement include Cameron County and the Brownsville Navigation District:

SpaceX has submitted an application to Cameron County and the County Commissioners have authorized tax abatement negotiations. Based on the expected job creation, capital investment and construction impact, under Cameron County's adopted guidelines, the initial application's scoring qualifies the project for a 10-year, 100% abatement beginning in 2015. Approval of this level of abatement or an equivalent Chapter 381 grant anticipated by September 2013.

SpaceX will also be seeking tax abatement from Brownsville Navigation District and has identified the possibility of applying for a Chapter 313 property value limitation from Point Isabel ISD, which could limit the valuation of the site to \$20 million for a 10-year period.

Additional local incentives:

The Greater Brownsville Incentives Corporation (GBIC), the funding board for the Brownsville Economic Development Council (BEDC), approved on September 7, 2011, an incentives program in the form of a \$3 million economic development agreement for capital reimbursements and job creation performance over 10-year period in the Greater Brownsville Borderplex. In response to competition, the GBIC at BEDC's recommendation, is considering, and anticipated to approve, increasing the \$3 million cash development grant to a total of \$5,000,000 on July 18, 2013.

In addition, the GBIC has committed \$500,000 towards a University of Texas program (STARGATE) that will assist in establishing an transformative research collaboration at the spaceport site. By establishing STARGATE, UTB is committing to the operation of an advanced research complex and commercialization incubator adjacent to the SpaceX launch site and command/control center.

inally, due to the broad regional economic benefit of this project, SpaceX will be negotiating for an additional \$1 million in local incentives (not included in committed sources of funding) from other economic development organizations in the region as a match to GBIC funding.

AVERAGE WEEKLY WAGE (AWW)

County where Qualified Business is Located Cameron

Attached County Average Weekly Wage backup (use the most recent four quarters available)

Attached ☒ Yes ☐ No

Four most recent quarters (May or may not all be in same calendar year):

| | | |
|-----------|--------------|-------------------------------------|
| Quarter A | <u>\$609</u> | Year <u>2012</u> Quarter <u>4th</u> |
| Quarter B | <u>\$577</u> | Year <u>2012</u> Quarter <u>3rd</u> |
| Quarter C | <u>\$570</u> | Year <u>2012</u> Quarter <u>2nd</u> |
| Quarter D | <u>\$569</u> | Year <u>2012</u> Quarter <u>1st</u> |

TOTAL \$2,325 $\div 4 =$ \$581.25
(County AWW)

Calculate the average weekly wage **excluding benefits** in the formula below including only the new jobs represented in this application for state benefit. Please use an Average Annualized Wage achievable in each year of job creation.

\$55,000 $\div 52 =$ \$1,057.69
Avg. Annualized Wage Without Benefits *AWW*

To determine the annual weekly wage of the county, go to the following web site and fill out the data link request.

<http://www.tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Industry>

Section 1: Select **COUNTY**

Section 2: Select the County you are researching e.g. "**ANDERSON**"

Click **CONTINUE**

Section 3: Select year – e.g. **2008** (use the most recent four quarters available)

Section 4: Select Time Period – select **ALL**

Click **CONTINUE**

Section 5: Select Industry Code – **NAICS**

Section 6: Select Ownerships – select **ALL**

Section 7: Select Division – select **ALL**

Click **CONTINUE**

Section 8: Select Industries – select **TOTAL, ALL INDUSTRIES**

Section 9: Select Data Series – select **AVG WEEKLY WAGES**

Order by: select **AREA**

VIEW DATA

Does the company offer employee benefits including healthcare? ☒ Yes ☐ No

If so, what percentage of benefits is paid by the Company?

100% of the employee's premium and 50% of their dependent premiums.

BENEFIT TO THE STATE

Independent Economic Impact Analysis attached (required) ☒ Yes ☐ No

Independent Economic Impact Analysis prepared by: Mostafa Malki, Ph.D., Aaron Economic Consulting

The analysis must be conducted by a third-party entity not related to the applicant, and must include the following:

- A. Total capital investment and employment, with timeline for each
- B. Outline of Economic and Fiscal Impacts of:
 1. Project construction phase
 2. Annual operations for each of the first 10 years of operation

Impacts during construction phase should include:

- Total Expenditure
- Gross State Product impact
- Retail Sales
- Total State Tax Revenue
- Direct, indirect, induced and total peak employment
- Direct, indirect, induced and total payroll

Impacts during *each year* of annual operations should include:

- Total Expenditure
- Gross State Product impact
- Retail Sales
- Total State Tax Revenue
- Direct, indirect, induced and total permanent employment
- Direct, indirect, induced and total payroll

- C. Executive Summary of the analysis highlighting the following data items:
 1. Gross State product impact during *first year of full employment*
 2. Total payroll (including direct, indirect, and induced) during *first year of full employment*
 3. Total jobs (including direct, indirect, and induced) during *first year of full employment*

COMPANY FINANCIAL DATA

The Applicant company is asked to provide three consecutive years of financial data in the form of independent, audited financial statements containing, at a minimum, the following categories:

- Current Assets
- Inventories
- Total Assets
- Current Liabilities
- Total Liabilities
- Total Equity
- Net Income
- Revenue
- Cost of Goods Sold
- Current Accounts Receivable

Note: Audited financial statements are required from the Applicant company, as listed on page 4, line 1A of this application. If financial statements are provided from a parent entity, the parent will be required to guarantee any economic development agreement with the State of Texas, should one result from this application.

CONFIDENTIALITY NOTICE

The Office of the Governor, Economic Development and Tourism division, as a state agency, must comply with the Texas Public Information Act (the "Act"). Under the Act the agency may have authority to maintain the confidentiality of the name of and other information related to a company seeking to locate in the state until after the location negotiations are completed. In the event that a public information request related to the company is submitted to the agency, the agency will (i) promptly notify the company of the request, (ii) if appropriate, take all possible and appropriate actions with the Attorney General of Texas to prevent release of the information, including asserting exemptions under the Act (including the Economic Development Negotiations exception of section 552.131 and the Trade Secrets/Commercial Information exception of section 552.110) and (iii) provide the company with full information and opportunity to participate in such process.

The applicants acknowledge that negotiations and information related to this application shall be treated as confidential, and that a full faith effort will be made to prevent the disclosure of any such negotiations. The applicants further agree that they will not disseminate information regarding any subsequent agreement except as directed by the Office of the Governor. Breach of confidentiality regarding this application may be grounds for termination of negotiations.

Checklist and requested attachments:

| | TEF Application Pre-Submission Checklist | Check if Completed |
|----------|---|--------------------|
| A | Certification of Application signed by Community (pg. 2) | <i>Yes</i> |
| B | Certification of Application signed by Company (pg. 3) | <i>Yes</i> |
| C | Articles of Incorporation (include attachment) | <i>Yes</i> |
| D | Applicant company and all currently operating parent or subsidiary entities verified as "Active" with the Texas Comptroller of Public Accounts ¹ | <i>Yes</i> |
| E | Franchise Tax Account Status for Applicant from the Texas Comptroller of Public Accounts (include attachment) | <i>Yes</i> |
| F | Permit Fee Estimates (pg. 8) | <i>Yes</i> |
| G | TEF Amount and Other State Assistance Request (pg. 9) | <i>Yes</i> |
| H | County Depreciation Schedule (include attachment) | <i>Yes</i> |
| I | Average Weekly Wage (include attachment) | <i>Yes</i> |
| J | Economic Impact Analysis (include attachment) | <i>Yes</i> |
| K | Audited Financial Statements for Applicant Company (include attachment) | <i>Yes</i> |

¹To search an entity's Franchise Tax Account Status please visit the website of the Texas Comptroller of Public Accounts (CPA) at <https://ourcpa.cpa.state.tx.us/coa/Index.html>. To resolve any issues regarding a company's status with the Texas CPA, please contact the CPA's Franchise Tax Division at (512) 463-4402.